

**SMYRNA SCHOOL DISTRICT**  
**INDEPENDENT ACCOUNTANTS' REPORT**  
**ON APPLYING**  
**AGREED-UPON PROCEDURES**

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## Independent Accountants' Report on Applying Agreed-Up Procedures

The Honorable Valerie A. Woodruff  
Secretary, Department of Education  
Townsend Building, Suite 2  
401 Federal Street  
Dover, DE 19903-1402

Ms. Deborah Wicks  
Superintendent  
Smyrna School District  
22 South Main Street  
Smyrna, DE 19977

Dear Secretary Woodruff and Ms. Wicks :

We have performed the procedures enumerated below, which were agreed to by the Department of Education (DOE) and School District (District), solely to assist you, the specified parties, in evaluating the compliance and effectiveness of the District's internal control over compliance with DE Code Chapters 13 and 17, Senate Bill 385 and DE Admin Code Section 525. Procedures were performed for student accounting and enrollment as of September 30, 2007. In addition, procedures were performed for authorized positions and occupational-vocational unit Division II funding for fiscal year ended June 30, 2007. Management is responsible for the District's internal control over compliance with the requirements related to the above areas.

This agreed-upon procedures attestation engagement was performed in accordance with Government Auditing Standards (2003) issued by the Comptroller General of the United States and the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

### STUDENT ENROLLMENT

**Agreed-Up Procedure Number 1:** Determine if the District's policies and procedures for preparing, reviewing and reporting the September 30 student count are adequate.

**Finding:** The State of Delaware Budget and Accounting Policy Manual states that a well-designed system of control includes written policies and procedures to ensure each control objective is met. We found the District had developed written policies and procedures regarding the September 30 student count; however, we determined that the policies and procedures did not include certain requirements as stated in the State of Delaware Budget and Accounting Policy Manual.

**Recommendation:** It is our recommendation the District comply with The State of Delaware Budget and Accounting Policy Manual and amend its September 30 student count policies and procedures to include the following:

- References to pertinent rules and regulations as stipulated by DE Code
- Procedures for maintaining documentation to support enrollment figures (medical excuses, transfer/entry/withdrawal forms, homebound documentation, documentation relating to children placed in alternative education settings, re-engineered students, absences)
- Retention policy for records supporting the September 30 student count
- Procedures to ensure Individualized Education Program (IEP) files are current, meet required DOE guidelines and file information is reported correctly
- Procedures to ensure vocational and co-op student files are current and meet required DOE guidelines
- Procedures for admittance and reporting of four-year-old students
- Procedures designating responsibility for reconciliation and management review of student count

**District Response:** The District acknowledges the recommendation amendments to our policies and will further strengthen the practices we have in place.

**Agreed-Upon Procedure Number 2:** Determine if the District properly reported enrollment figures to the DOE. Calculate the dollar impact of disallowed students, if applicable.

**Finding:** The Delaware Department of Education's A Summary of Delaware Code and Department of Education Regulations for Student Accounting for the September 30 Enrollment and Unit Computation states:

"... each school shall maintain September enrollment records in a manner that will allow for efficient enrollment audits."

"...enrollment means attending school sometime during the last 10 student attendance days of September or having a legitimate reason for not attending and is expected to return prior to November 1. Supporting documentation must be on file indicating the reason for the absence and an expected return date."

While performing the procedure above, we found the District properly reported enrollment figures for the September 30 student count to the DOE.

**Agreed-Upon Procedure Number 3:** Select ten percent (10%) or a minimum of five "Individualized Education Program" (IEP) files at each school to verify that each file contains the required documentation in accordance with the DOE's Administrative Manual for Special Education Services (AMSES) and calculate the dollar impact of disallowed students, if applicable.

**Finding:** While performing our procedures, we found that all files selected were current and contained required documentation in accordance with the DOE's Administrative Manual except as noted below:

School	Condition
Smyrna High School	A review of IEP files showed a Learning Disabled student in the eleventh grade receiving 4.5 hours of special education services, was reported as receiving 9.0 hours of special education services

It is our determination that the above condition resulted from District failure to update the computer reporting system when IEP hours had changed. There was no dollar impact associated with the reassignment of the over-reported special education hours to the regular count.

**Recommendation:** It is our recommendation that the District develop procedures to ensure accurate IEP information is being reported during the September 30 student count.

**District Response:** As noted in the finding, the District's IEP files were current and contained all required documentation. The District will amend its existing policies to ensure that the information contained in the files is consistent with that reported in the unit count program.

**Agreed-Upon Procedure Number 4:** Select ten percent (10%) or a minimum of five students enrolled in the Cooperative Education and Diversified Education Programs and confirm that the students' files contain the required documentation in accordance with the DOE's Administrative Directives and calculate the dollar impact of disallowed students, if applicable.

**Finding:** We found that all files selected were current and contained the required documentation in accordance with the DOE's Administrative Directives.

#### **AUTHORIZED POSITIONS**

**Agreed-Upon Procedure Numbers 1 and 2:**

- Determine if the District's control procedures for monitoring, tracking and reconciling the number of employees are adequate.
- Determine if the District's control procedures for monitoring and tracking salaries charged to the State's general fund are adequate.

**Finding:** The State of Delaware's regulations provide guidance on processes it considers necessary for adequate internal controls over monitoring, tracking and reconciling the number of employees and for internal controls over monitoring and tracking salaries charged to the State's general fund. We obtained the District's written policies and procedures regarding these controls. Our review determined that the necessary processes identified by the State of Delaware are adequately included in the District's written policies and procedures.

**Agreed-Upon Procedure Number 3:** Compare the number of paid positions by category to the number of authorized positions per 14 DE Code, Chapters 13 and 17.

**Finding:** It is our determination that the District is operating within its number of authorized positions by category.

**Agreed-Upon Procedure Number 4:** Recalculate the annual salary of the following selected positions to determine if employees were paid in accordance with 14 DE Code, Chapter 13.

Superintendents	100%
Assistant Superintendents	100%
Principals	100%
Directors	100%
Classroom Teachers	10%

**Finding:** While performing our salary recalculations, we determined that the Superintendent, Assistant Superintendent, six Principals and one Paraprofessional sampled were not paid in accordance with 14 DE Code, Chapter 13. These errors were a direct result of inaccurately updating salary allocations at the beginning of the District's fiscal year. As a result, a total of \$1,489 which was eligible for State funding was charged to Local funding.

**Recommendation:** It is our recommendation that the District review all split-funded salary positions to ensure both State and Local funds are being charged appropriately and review all administrators' responsibility indexes and update them accordingly to reduce the risk of future non-compliance.

**District Response:** When the District makes adjustments to employee hourly rates, it will also review the school-funding panel to ensure it accurately reflects the appropriate funding sources.

## **OCCUPATIONAL-VOCATIONAL UNIT DIVISION II FUNDS**

**Agreed-Upon Procedure Number 1:** Obtain confirmation from the DOE if the District was granted a waiver of the 90% requirement to allocate the occupational-vocational unit Division II funding to each school that generated the funding.

**Finding:** The District chose not to request a waiver from the DOE.

***Agreed-Upon Procedure Number 2:*** Review expenditure documents to determine if FY06 and FY07 occupational-vocational funds expended from July 1, 2006 through June 30, 2007 were (1) expended for State-approved occupational-vocational courses and programs within the District, (2) supported by adequate documentation and (3) properly coded in the Delaware Financial Management System (DFMS).

***Finding:*** All expenditures examined relating to FY06 and FY07 occupational-vocational funding, were determined to be (1) expended for State-approved courses and programs within the District, (2) supported by adequate documentation and (3) properly coded in DFMS.

***Agreed-Upon Procedure Number 3:*** Review financial records to determine if FY06 and FY07 occupational-vocational funds were properly allocated to and spent by the schools within the District that generated the funding.

***Finding:*** It is our determination that FY06 and FY07 occupational-vocational funds as of June 30, 2007, were properly allocated to and spent by the schools within the District that generated the funding.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with specified laws. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the DOE and the District and should not be used by those who have not agreed to the procedures and have not taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record, and its distribution is not limited. This report, as required by statute, was provided to the Office of Auditor of Accounts, Office of the Governor, Office of Controller General, Office of Attorney General, Office of Management and Budget, and Secretary of Finance.

*Ballint, Lyons & Shuman, P.A.*

February 11, 2008  
Wilmington, Delaware